SOLVENCY NEED AT END-MARCH 2012

The Bank's calculation methods and model for calculating the individual solvency requirement are unchanged compared with the past:

Breakdown of overall solvency requirement by risk area

The total solvency requirement is broken down by risk area according to the following principles:

Credit risks: The risk as a result of borrowers or other counterparties defaulting on their payment obligations, including the risks attaching to customers having financial difficulties, large exposures, concentration risks and risks attaching to granted, unutilized credit lines.

Market risks: The risk of loss due to the fact that the fair value of the Bank's assets or obligations changes on account of changes in prices on the financial markets.

Operational risks: The risk of financial loss as a result of deficient or inexpedient or internal procedures, human or system errors and similar errors, or losses as a result of external events.

Other risks: The risk of loss as a result of business profile, strategic risks, reputation risks, real property risks, risks in connection with capital procurement, liquidity risks and other risks (Group risks, the Bank's size, settlement risks, external risks, etc.). The capital requirement for covering these risks is reduced by the recognized positive results before impairment of loans, etc.

Statutory requirements: The situations in which the requirements laid down in the Danish Financial Business Act stipulate a lower limit for the solvency requirement.

The necessary capital base at end-March 2012 has been calculated at DKK 3.6 billion, and is thus DKK 0.1 billion lower than in the statement at end-December 2011. This decline is attributable to several minor changes in the individual elements in the statement. The Group recorded a drop in risk-weighted items of DKK 1.5 billion from end-2011 to end-March 2012, for which reason the solvency need calculated in percent was unchanged at 8.8% at end-March 2012 compared with end-2011.

Of the total capital need, DKK 2,830 million, or 76%, is attributable to credit risks, while market risks and operational risks account for 20% and 10%, respectively, of the total capital need.

The capital need in connection with other risks has been calculated at DKK -339 million (net), as the capital need for covering these risks is reduced by the recognized positive results before impairment of loans, etc.

SOLVENCY REQUIREMENTS BY RISK AREA, END-MARCH 2012

Risk area	Adequate capital base DKK m	The Group Solvency requirement %	Parent Company Solvency requirement %
Credit risks	2,830	7.0	6.9
Market risks	742	1.8	1.8
Operational risks	369	0.9	0.9
Other risks	-339	-0.8	-0.8
Supplement, if required by law	0	0.0	0.0
Total	**3,602**	**8.8**	**8.8**

Excess coverage relative to statutory requirement and internal targets

At end-March 2012 the Groups solvency ratio stood at 15.5%, corresponding to an excess coverage of 76% relative to the individual solvency requirement.

EXCESS COVERAGE RELATIVE TO THE STATUTORY REQUIREMENT, END-MARCH 2012

	The Group	Parent Company
Core capital after deductions, DKK m	6,327	6,327
Adequate capital base, DKK m	3,602	3,602
Excess coverage, DKK m	2,725	2,725
Solvency ratio, %	15.5	15.5
Individual solvency requirement, %	8.8	8.8
Excess coverage, %	76	76

The internal capital goals are that the Common Equity (Tier 1) ratio (the core capital ratio, excl. hybrid capital), must be at least 9%, and that the core capital ratio, incl. hybrid capital, must be at least 12%. In addition, the Bank's objective is to have a solvency ratio that is at least 3 percentage points higher than the solvency need ratio. At end-March 2012, the solvency ratio was thus 6.7 percentage points higher than the solvency need ratio.